

From: "Morris, Viesta" <morris.v@portseattle.org>
To: <secretary@fmc.gov>
Date: Fri, May 30, 2003 4:25 PM
Subject: Passenger Vessel Responsibility

Attached, please find a letter to Mr. Bryant L. Van Brakle from Mr. Charles Sheldon, Managing Director, Seaport.

<<Port of Seattle Draft Comments.doc>>

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Sent electronically to: secretary@fmc.gov

May 30, 2003

Mr. Bryant L. Van Brakle
Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Room 1046
Washington, DC 20573-0001

Re: Passenger Vessel Responsibility Proposed Rulemaking – Docket No. 02-15

Dear Mr. Van Brakle:

The Port of Seattle submits this letter in response to the Federal Maritime Commission's Notice of Proposed Rulemaking ("Proposal") to amend its existing rules with respect to how passenger vessel operators demonstrate financial responsibility pursuant to Public Law 89-777. We understand that the current rule has worked very well to protect consumers. However, if adopted, the new Proposal would not only have a dramatic, negative impact on the Port of Seattle and on the Seattle economy in general, but it would also reduce the availability of protection afforded consumers. Therefore, we respectfully urge the Commission to maintain its existing rules and reject the current Proposal.

The Port of Seattle has expended more than \$35 million dollars over the past four years in an effort to develop Seattle as a departure port of choice for Alaska-bound cruises. This effort has been extraordinarily successful. From the addition of Norwegian Cruise Line's first Seattle-Alaska sailing in 2000, the Port of Seattle this season is hosting more than 100 cruise ship calls. The recent choice of Seattle as a homeport for Alaska cruising has been so successful that the Port of Seattle this season completed construction of a second pier facility at a cost of approximately \$16.5 million. All told, the Port expects more than 400,000 passengers to embark from Seattle this season and is looking forward to further increases next year.

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Seattle's economy has directly benefited from efforts to develop the city as a homeport for cruising. On average, every cruise departure injects some \$750,000 into the local economy. While at one time, Seattle's principal department store claimed it might have to leave the city because Seattle had no cruise trade, cruises have now become an important part of the local economy.

As a result, the Port of Seattle is very concerned about any regulatory action that might impact a cruise line's choice of homeports. This is particularly true for the Port of Seattle as cruise lines have an attractive nearby alternative in Vancouver, B.C.. The FMC's proposal would impose a regulatory and financial burden on cruise lines choosing to depart from U.S. ports which is not present when departing from non-U.S. ports. The Port of Seattle hopes the Commission does not exacerbate other regulatory and tax advantages already present in nearby Vancouver by adopting the current proposal. Considering the millions of dollars and significant efforts made to attract cruise lines to Seattle from Vancouver, it would be a tragic result to see those efforts undone with cruise lines returning to Vancouver to avoid the results of the Commission's latest Proposal.

Therefore, the Port of Seattle strongly urges the Commission to retain the existing ceiling on coverage for unearned passenger revenue.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Charles Sheldon', with a stylized, cursive script.

Charles Sheldon
Managing Director
Seaport Division